



# Half-Year Report 2019/20

Tatry mountain resorts, a. s.  
and its Subsidiaries

for the Period from November 1, 2019 to April 30, 2020



Dear Shareholders,

The past winter season 2019/20 was characterized by unfavorable weather in terms of snow conditions in our mountain resorts. Moreover, we were forced to end the season too early in our resorts and hotels, in mid-March, due to preventive measures to combat coronavirus. Because of the coronacrisis and weather problems we recorded a 17% lower visit rate in our mountain resorts year-over-year, excluding the Austrian resorts of Mölltaler Gletscher and Ankogel, which had their first season under the TMR management. Skiing on the Mölltaler Glacier was demanded mostly by Gopass clients – Slovak and Czech visitors. During Christmas holidays and New Year's Eve our resorts were yet again in high demand; we even had to stop online ski pass sales for one day for the first time in the Jasná resort. We managed to increase the average revenue per skier day by 23%. Despite the shorter season and the negative weather factors consolidated revenues compared to the same period last year decreased only 1.6% and reached EUR 67.6 mil. The Group's operating profit before write-offs – EBITDA – year-over-year even improved 7% to reach EUR 27.6 mil.

In the winter season our traditional events proved popular again, including the most visited Tatra attraction, Tatra Ice Dome at Hrebienok, which this year was built in the style of Notre Dame in Paris. Besides events we prepared for our clients numerous

new products and deals through the eshop and loyalty program Gopass.

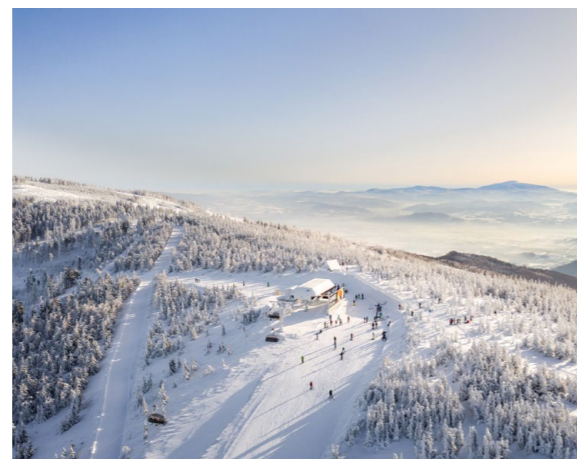
As for investments, in the current financial year several projects for new cableways in Jasná and Tatranská Lomnica are in the process of environmental impact assessment (EIA) or in the process of obtaining construction permits. Also, this year we are focusing on the modernization of the Ještěd resort; we are continuing with our real estate projects; and we are adding another attraction in the Polish amusement park, Legendia.

In terms of acquisitions, TMR became a 25% direct owner of the Melida, a.s. Company that rents and operates the Czech resort of Špindlerův Mlýn. After the end of the first half-year TMR signed a contract to purchase a 100% interest in the T. Tatranská a.s. Company, and thus, TMR becomes the sole operator of the resort of Štrbské Pleso in the High Tatras.

June 26, 2020



**Igor Rattaj**  
Chairman of the Board of Directors



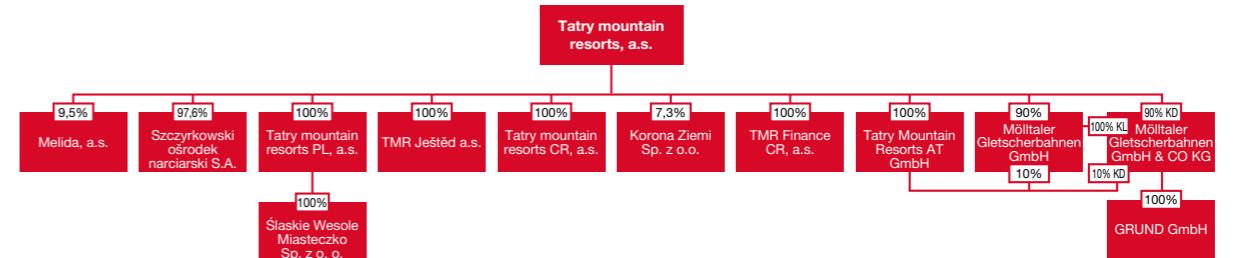
## Interim Report by the Board of Directors for the Period of November 1, 2019 to April 30, 2020

### PROFILE OF TMR

Tatry mountain resorts, a.s. (TMR, the Company) is a joint stock company with its headquarters in Liptovský Mikuláš, registered at the Bratislava Stock Exchange (BSSE), the Prague Stock Exchange (PSE), and the Warsaw Stock Exchange (WSE). TMR with its subsidiaries (the Group) is the biggest entity in tourism in Slovakia with emerging operations in Poland and the Czech Republic. TMR's operations are divided into seven key segments: Mountain Resorts, Leisure Parks, Golf, Dining, Sports Services and Stores, Hotels, and Real Estate. Within Mountain Resorts TMR owns and operates the Vysoké Tatry resort in the High Tatras with the ski areas of Tatranská Lomnica and Starý Smokovec and the ski area of Štrbské Pleso, which TMR co-manages. In the Low Tatras TMR owns and operates the mountain resort Jasná Nízke Tatry. In Czechia the Group leases the ski resort Ještěd and owns a 25% interest in Melida, a.s., which leases and operates the Špindlerův Mlýn ski resort. In the Polish Beskid Mountains TMR owns Szczyrk Mountain Resort (Szczyrk). Leisure Parks include Slovak Aquapark Tatralandia and Legendia –

Silesian Amusement Park in Poland. Within the latest Golf segment the Group leases and operates two prestigious golf resorts in Czechia: Golf & Ski Resort Ostravice a Golf Resort Kaskáda. TMR also provides complete ancillary services in all its resorts, such as dining facilities, ski schools, sports stores, and sports equipment rental and service. In addition, TMR owns or rents and operates a portfolio of attractive hotels in its resorts with the capacity of over 2,300 beds. In the High Tatras it owns and operates Grandhotel Praha\*\*\*\* Tatranská Lomnica, Grandhotel\*\*\*\* Starý Smokovec, Hotel FIS\*\*\*, and Night at Lomnický Peak. In the Low Tatras TMR owns and/or operates the lodging facility Holiday Village Tatralandia in Aquapark Tatralandia, Hotel Grand Jasná\*\*\*\*, Hotel Tri Studničky\*\*\*\*, Hotel Srdiečko\*\*, Chalets Jasná Collection\*\*\*\*, Hotel Rotunda and Hotel Pošta. In the golf resorts the Group operates Green Inn Hotel and Hotel Kaskáda. In Polish Szczyrk the Group owns Hotel Gronie Ski & Bike. The Real Estate segment is mainly focused on development, construction, and sale of apartments, commercial space, and lease of hotels in TMR's resorts.

### The Group Structure



\* GP - General Partner  
LP - Limited Partner

## SIGNIFICANT EVENTS

### Investments & Acquisitions

At the Annual General Meeting (AGM) held in April 2020 the Board of Directors presented an investment plan for the current calendar year.

During the current FY several projects of new cableways in Jasná and Tatranská Lomnica are in the process of the Environmental Impact Assessment (EIA) or in the process of obtaining construction permits. In Jasná a water reservoir will be completed this year with the total CAPEX of EUR 3.3 mil.

In the Ještéd resort the first phase of the resort's modernization should be completed, including a new ski trail with lighting, Skalka, and expansion of the existing trails and snowmaking. The investment totals EUR 1.2 mil.

In the Polish amusement park, Legendia, the last of the contractually agreed upon attractions in the first phase of the park's modernization – Jagi Valley will be added in the summer 2020. This year's investment totals EUR 1.4 mil.

In the Real Estate segment TMR is building additional lodges and apartments for sale in Holiday Village Tatralandia, is starting the apartments project Horec in Tatranská Lomnica, and another stage of Chalets Jasná Collection.

On December 15, 2019 TMR became a direct 25% owner of the Melida, a.s. Company, which rents and operates the Czech Špindlerův Mlýn resort.

After the end of the first half of 2019/20, on May 29, 2020 TMR signed a contract to purchase a 100% interest in the 1. Tatranská a.s. Company and thus became the sole operator of the ski area of Štrbské Pleso, High Tatras.

### News & Events

In the winter season 2019/20 TMR implemented a revolutionary flexible price policy for ski passes with the goal to manage the visit rate also on cash registers in the resorts Jasná and Vysoké Tatry. Dynamic prices

fluctuate depending on the current capacity of the resort. In the prior year TMR launched 'flexi' prices through the Gopass eshop.

In the past season 'flexi' prices were launched also in Czech Špindlerův Mlýn and Polish Szczyrk Mountain Resort, whereas Szczyrk also obtained self-service ticket machines, Gopass Tickets.

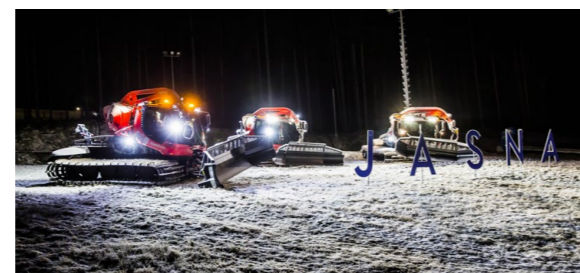
The start of the skiing season was launched later than planned due to higher temperatures that hindered snowmaking. Despite this fact the TMR resorts offered skiing as the first ones and with the most ski trails open.

Due to the preventive measures against the spread of coronavirus causing the COVID-19 disease all TMR's mountain resorts, leisure parks, and hotels closed operations from mid-March till the end of the season in all the countries.

During the restrictions limiting the resorts' operations employees took part in various initiatives helping environment and communities. On the South and North side of Mt. Chopok and in the High Tatras they planted thousands of trees and helped to clean the surroundings of Liptovská Mara from trash. During the pandemic each resort also helped in other ways – they distributed fresh fruit, respirators and other protective tools to local seniors and rescue workers in Liptov, the High Tatras, in Czech Špindlerův Mlýn and in Polish Szczyrk. This aid was realized mainly thanks to Smart Season Pass holders that supported their favorite mountain resort by purchasing a Smart Season Pass for next season.

#### Jasná Nízke Tatry

TMR launched the ski season in Jasná on November 30 with a music show, Winter Jasná Opening, although the actual skiing started on December 7. During the holidays skiing in TMR's resorts was in high demand – Jasná stopped the online ski pass sales for the first time on January 3, 2020 in order to maintain comfort and safety for skiers as the resort reached the optimal capacity. Media from all Europe were drawn to the European Cup in Para Alpine Skiing in Jasná end of January.



First Class Skiing – skiing without waiting is the new product for guests staying in TMR's hotels. Smart Season Pass holders could also buy it. Guests enjoyed Sky Picnic in a specially modified gondola cabin at Kosodrevina – Chopok South. Habarka Restaurant offered an experiential dinner by the full moon with an option to ski downhill in night time to the bottom station Lúčky on a trail lit by the moon. Rotunda Restaurant changed its design and concept to a la carte. A new ski service machine was added in Tatry Motion by the Grand Jet cableway. The resort visitors could use the new mobile app for ski buses launched in cooperation with the district tourism organization Liptov.

The Jasná resort was awarded Slovakia's Best Ski Resort 2019 by World Ski Awards in Austrian Kitzbuehel.

#### Vysoké Tatry (High Tatras)

Vysoké Tatry kicked off the season on December 6 at Štrbské Pleso. In Tatranská Lomnica they launched the season with the event SKI Exclusive Opening on December 14. At the beginning of the season the most popular Tatra attraction, the Tatra Ice Dome, was opened again at Hrebienok. The 7th annual most successful winter attraction in the High Tatras was built in the style of Notre Dame in Paris.

In the past season Tatranská Lomnica got a new client center, housing Gopass Tickets – self-service ticket machines, an info center, cash registers, rental, ski school, and a Tatry Motion store. Panorama Restaurant at Skalnaté Pleso underwent a renovation. Visitors could take part in experiential ski terrain grooming – professional trail preparation for skiing with a professional trail grooming vehicle operator or they could attend a night alpine ski hike in the resorts Tatranská Lomnica and Štrbské Pleso.

#### Mölltaler Gletscher

Skiers from Czechia and Slovakia showed increased interest in skiing in the Austrian resort Mölltaler Gletscher. Especially Gopass clients enjoyed skiing on this only glacier in Carinthia, they used the option to buy tickets here for an additional discount fee as



season pass holders or they bought them for the best prices online via the Gopass eshop. Also thanks to perfect weather the visit rate in January and February in Mölltaler Gletscher increased 30% and beat the 3-year record in skier days.

#### Szczyrk Mountain Resort

The top novelty in Szczyrk was the opening of the new stylish mountain restaurant Kufionka with the capacity of 450 persons directly on the slope at Hala Skrzyczanska – the resort's biggest investment of the prior season. In Szczyrk the traditional New Year's Eve skiing was the most successful among the public, and the Snow Fest music festival – a co-organized by the ski resort – was also a great attraction.

#### Ještéd

The main novelty of the winter season in Ještéd was the expanded children's arena for beginners with the offer of a ski school supplemented by suburban kindergarten courses or evening lessons under artificial lighting.

#### Špindlerův Mlýn

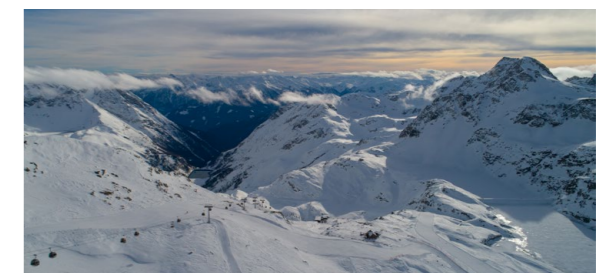
In Špindlerův Mlýn popular activities included Snow Show, the Chinese Downhill mass bike descent and the best Czech skiers met at the Czech Alpine Skiing Championships.

#### Tatralandia

A spectacular farewell to the year 2019 was prepared in the Aquapark Tatralandia with the event Tropical New Year's Eve 2019.

#### Legendia

In the winter months visitors to Legendia – the largest and oldest theme park in Poland – could enjoy several attractions as part of the special Winter Legendia winter edition. The visit rate of the Basilisk Didge – a



modern attraction of the Interactive Dark Ride type as well as other accessible attractions exceeded all expectations and showed that guests are interested in visiting amusement parks even in winter and for Legendia it is an interesting opportunity to extend the season.

#### Golf

During the winter, the golf resorts, which were filled with guests as part of stay packages with wellness and in the Ostravice resort also with the discovery of the beauties of the Beskid Mountains, were active as well. The winter was also a period of preparations for the next season, in which the resorts prepared new products such as the golf season pass or a corporate playing card, which allows one to play on three golf courses for one fee under the TMR brand. The winter months were also the time to recruit new members to golf clubs, which saw a 10% increase in the membership base during the period of golf stagnation. In the period under review, the Group began business cooperation with Golf Resort Olomouc and incorporated it into the Central Golf Club, in which membership now offers playing on three courses and discounts in the Gopass loyalty program.

#### Real Estate

As part of the real estate projects, the Horec Apartment House project continued in the period under review, the remodeling of which is the zero stage of the Lomnické korzo in Tatranská Lomnica.

#### Hotels

The winter of 2019/20 also brought several news for the TMR hotel portfolio. New hotel websites have brought a more attractive form of presentation. The renovated Hotel Gronie SKI & BIKE in Szczyrk brought a new quality of services. Holiday Village Tatralandia offered its clients entries to the aquapark included in the price of accommodation. Hotel Pošta, Grand Hotel Jasná and Chalets Jasná Collection pleased guests with ski passes included in the price of accommodation. TMR again expanded its accommodation capacity, thanks to the completion of the Chalets Jasná Collection apartments, 132 beds were added. Hotel Srdiečko offered stylishly renovated rooms and a restaurant. The Tatra Grandhotel Praha won the World Ski Awards as Slovakia's Best Ski Hotel 2019.

#### General Meeting

The Annual General Meeting (AGM) of TMR was held on April 29, 2020 in Holiday Village Tatralandia in Liptovský Mikuláš. Shareholders approved Individual Financial Statements as of 31/10/2019; and adopted the proposal to divide the net profit for the fiscal year 2018/19 in the amount of EUR 4.087 mil. in such a way that EUR 408.7

ths. will be used to replenish the reserve fund, EUR 20 ths. will be transferred to the social security fund, and EUR 3.657 mil. will remain in the Company as retained earnings. KPMG Slovensko spol. s.r.o. was reelected as TMR's auditor. Also, shareholders approved changes in the Articles of Association, the Remuneration Rules, removed the Supervisory Board member, Igor Rattaj, and elected members of the Supervisory Board, Andrej Devečka and Bohuš Hlavatý. Mr. Bohuš Hlavatý at the same time ends his position as the Company's Chairman of the Board of Directors and CEO, whilst the CEO position will remain unfilled till the end of 2020.

As for the business plan for the financial year 2019/20, considering the current development of the COVID-19 pandemic, TMR is contemplating several scenarios of the financial situation development. Since the situation is dynamically changing, at the moment the financial plan is almost impossible to set. The Company plans to maintain financial stability during this crisis period and stable continuing operations in further periods. Based on this the Company keeps adjusting its operating financial plans and is not disclosing any specific plan. For more details on TMR's General Meeting visit <http://tmr.sk/investor-relations/regulated-information/general-meetings/>.

The Extraordinary General Meeting, which was supposed to be held on March 26, 2020, was cancelled due to measures to prevent the spread of the infectious disease, COVID-19.

#### Personnel Changes in Leadership

After 11 years Ing. Bohuš Hlavatý resigned as Chairman of the Board of Directors and CEO of TMR as of April 29, 2020. Mr. Hlavatý continues to serve in the Company; on April 29, 2020 he was a member of TMR's Supervisory Board elected by the General Meeting. The position of TMR's CEO will remain vacant until the end of the financial year 2020 due to austerity measures, and the Company's management will be taken over by Igor Rattaj, Chairman of the Board of Directors, elected by the Supervisory Board on April 30, 2020. He will be assisted in the Board of Directors by his colleagues - Čeněk Jílek, current COO and Jozef Hodek, member of the Board of Directors and also CFO. Both will take over the management of individual organizational structures of the Company. Andrej Devečka and Branislav Gábriš ended as members of the Board of Directors as of April 28, 2020, and Mr. Devečka also joined TMR's Supervisory Board.

## REVENUES AND INCOME

#### Revenues

The Group (Tatry mountain resorts, a.s. and subsidiaries) consolidated sales for the period of six months ended 30 April 2020 amounted to EUR 67.315 mil. (68.320), which yields a 1.5% decrease when

comparing the same period of the prior financial year. The total consolidated Group revenues decreased 1.6% year-over-year to EUR 67.556 mil. (68.627). On the like-for-like basis excluding one-off impacts and the first season of the Austrian resorts Mölltaler Gletscher and Ankogel under the TMR management revenues reached EUR 63.167 mil., a 5.3% drop year-over-year.

#### Key Performance Indicators (KPIs)

The number of skier days<sup>1</sup> in Mountain Resorts was 10.8% lower yoy and reached the level of 1.696 mil. (1.902) skier days, caused by the late start of the skiing season and the premature end of the season well ahead of Easter in March due to the coronacrisis. The average revenue per visitor in Mountain Resorts improved by 23.3% to EUR 16.45 (EUR 13.34<sup>2</sup>). The visit rate and average revenue per visitor for the first time includes the Austrian resorts under the TMR management.

Leisure Parks recorded a 3.1% fall in the number of visitors to 213 ths. (219), while Polish Legendia was only partly open. The average revenue per visitor slightly decreased – by -0.3% to EUR 13.66 (13.70).

As for ancillary services, in the dining facilities on the slopes, and in the leisure parks the average client spending was 15.3% higher than last year at EUR 4.73 (4.10). Sports Services & Stores reported a 9.3% higher spending per visitor at EUR 2.33 (2.13).

The average occupancy of the hotel portfolio fell by 17.8 percentage points to 46.9% (64.7%), also impacted by the preventive measures due to coronacrisis. Average daily rate per room (ADR) on the portfolio level increased by 10.6% to EUR 116.36 (105.20), whilst majority posted an improvement in its average rate.<sup>3</sup>

#### Revenues by Segments

The Mountain Resorts segment posted revenues of EUR 36.291mil. (37.028), a 3.1% decrease year-over-year. Mountain Resorts' revenues for the first time include the winter season of the Austrian resorts Mölltaler Gletscher and Ankogel. On the like-for-like basis excluding the results of the Austrian resorts and one-off impacts such as the World Cup in Špindlerův Mlýn in 1H 2019/20 revenues would decrease yoy 7.1% due to the lower visit rate.

Leisure Parks' revenues recorded a 9.8% decrease year-over-year, reaching EUR 2.736 mil. (3.033). Besides the results of Aquapark Tatralandia, revenues also include the performance of Silesian Amusement Park Legendia during a part of the winter when the park was open.

The latest Golf segment achieved revenues of EUR 283 ths. (344), a 17.8% drop.

Dining revenues posted an improvement of 2.7% with EUR 9.049 mil. (8.812) with new operations in the Mölltaler Gletscher resort.

Sports Services & Stores, correlated somewhat with the performance of Mountain Resorts, recorded a 9.0% decrease in revenues, totaling EUR 4.125 mil. (4.532).

The Hotels segment grew 2.7% in revenues to EUR 14.694 mil. (14.312). The performance of this segment is the result of the growth in ADR of the portfolio. Effective marketing and sales tailored to clients' needs also contributed. The results were again supported by full capacity of the hotels, especially in peak periods, such as New Year's and "Golden Week" (the period after Christmas till Epiphany). For the first time the results also include revenues of Polish Hotel Gronie Ski & Bike.

In the Real Estate segment during the observed six-month period TMR reported revenues of EUR 379 ths. (568) from the real estate projects' sales and the lease of the accommodation capacities – Kosodrevina Lodge, Hotel Ski & Fun, Hotel Liptov, and Lodging Otupné.

#### EBITDA

Earnings before interest, tax, depreciation, and amortization (EBITDA) improved 7.0% year-over-year to EUR 27.587 mil. (25,779) primarily due to a change in IFRS accounting for operating leasing, which is no longer included in the Profit and loss statement. Operating profitability expressed as EBITDA margin thus increased by 3.3 percentage points to 40.8%. On the like-for-like basis excluding one-off items, the IFRS change, and the impact of the Austrian resorts EBITDA dropped -8.0% yoy, and EBITDA was 1.1 p.p. lower.

On the segment level Mountain Resorts' EBITDA declined -1.1%, Leisure Parks' EBITDA was up 39.7% yoy, EBITDA of the Golf segment improved 22.8%; Dining improved 7.7%, EBITDA of Sports Services and Stores fell -1.6%, Hotels were up 8.4%, and Real Estate reported an EBITDA increase of 284.9%.

#### EBIT

Operating profit (EBIT) increased by 24.3% year-over-year to EUR 20.705 mil. (16.654), whereas depreciation and amortization grew by almost EUR 1.3 mil. to EUR 10.396 mil. Depreciation of right-of-use of leased assets was reported in the amount of EUR -2.766 mil. (0). The Group reported a gain on bargain purchase of the 25% interest in the Melida, a.s. Company in the total of EUR 6.280 mil.

<sup>1</sup> The visit rate in Mountain Resorts in the winter season is measured in terms of skier days sold, i.e. the number of persons that visited a mountain resort during any part of the day or night for the purpose of skiing, snowboarding, or other downhill slide. E.g., a 4-day ticket means four skier days in Mountain Resorts.

<sup>2</sup> Revised

<sup>3</sup> The hotel portfolio's KPIs for the reported period now include the golf hotels Green Inn Hotel and Hotel Kaskáda and Polish Hotel Gronie Ski & Bike.

## Net Profit

TMR's consolidated net profit reached EUR 6.897 mil. (8.880), a decrease of 22.3% year-over-year. Interest expense incurred from the bonds issued and from drawing of bank loans increased by 24.9% year-over-year to EUR 9.681 mil. (7.754). The Group also reported a loss from financial operations, net in the amount of EUR -5.061 mil. (-0.056). The share of the profit of the investment in the

Melida, a.s. Company amounted to EUR 356 ths. Income tax for the period was reported at EUR -272 ths. (-558). Total comprehensive income after currency translation differences and gain on cash flow hedging reached EUR 9.151 mil. (8.927). Earnings per share were up to EUR 1.040 (1.313). Total comprehensive income for the parent company reached EUR 8.855 mil. (10.038).

Key Operating Results (unaudited)	Revenues			EBITDA			EBITDA Margin		
	1H 2019/20	1H 2018/19	Change yoy (%)	1H 2019/20	1H 2018/19	Change yoy (%)	1H 2019/20	1H 2018/19	Change yoy
Mountain Resorts	36 291	37 028	-2,0%	18 469	18 675	-1,1%	50,9%	50,4%	0,5%
Leisure Parks	2 736	3 033	-9,8%	534	382	39,7%	19,5%	12,6%	6,9%
Golf	283	344	-17,8%	-73	-59	-22,8%	-25,8%	-17,3%	-8,5%
Dining	9 049	8 812	2,7%	2 165	2 011	7,7%	23,9%	22,8%	1,1%
Sports Services & Stores	4 125	4 532	-9,0%	825	839	-1,6%	20,0%	18,5%	1,5%
Hotels	14 694	14 312	2,7%	3 713	3 424	8,4%	25,3%	23,9%	1,3%
Real Estate	379	568	-33,3%	1 954	508	284,9%	515,9%	89,4%	426,5%
<b>Total</b>	<b>67 556</b>	<b>68 627</b>	<b>-1,6%</b>	<b>27 587</b>	<b>25 779</b>	<b>7,0%</b>	<b>40,8%</b>	<b>37,6%</b>	<b>3,3%</b>

## Selected Consolidated Unaudited Results (IFRS)

in €'000	1H 2019/20	1H 2018/19
Sales	67 315	68 320
Other Operating Revenues	241	307
<b>Total Revenues</b>	<b>67 556</b>	<b>68 627</b>
Consumption of Material and Goods	-9 334	-10 012
Personnel and Operating Costs	-32 260	-33 209
Other Gain/ Loss	1 625	373
<b>EBITDA</b>	<b>27 587</b>	<b>25 779</b>
EBITDA Margin	40,8%	37,6%
Depreciation & Amortization	-10 396	-9 125
Depreciation of right-of-use of leased assets	-2 766	0
Gain on bargain purchase	6 280	0
<b>EBIT</b>	<b>20 705</b>	<b>16 654</b>
Interest Income	850	594
Interest Expense	-9 681	-7 754
Gain/ Loss on Financial Operations net	-5 061	-56
Share of the profit or loss of investments in joint ventures and associates accounted for using the equity method	356	0
<b>Pre-tax Income</b>	<b>7 169</b>	<b>9 438</b>
Income Tax	-272	-558
<b>Net Profit</b>	<b>6 897</b>	<b>8 880</b>
<b>Total Comprehensive Income</b>	<b>9 151</b>	<b>8 927</b>
<b>EPS (€)</b>	<b>1,040</b>	<b>1,313</b>

## FINANCIAL POSITION

As at the end of the first half-year 2019/20 the value of current liquid funds (Cash and cash equivalents) totaled EUR 2.604 mil. (EUR 25.052 mil. as of 30/04/2019) as opposed to EUR 12.073 mil. at the end of the previous FY 2018/19.

The total amount of the Company's loans and borrowings for the last six-month period decreased to EUR 326.888 mil. (331.703) as opposed to EUR 347.350 mil. at the FY end. The debt-to-equity ratio reached the level of 273.9% (270.3) compared to 315.3%

at the FY end. The total level of debt slightly rose year-over-year to 73.3% (73.0) but decreased by 2.7 percentage points in comparison to the FY end (75.9%).

The accounting value of total assets increased since the FY end by EUR 44.8 mil. to EUR 564.271 mil. Year-over-year it grew by EUR 61.1 mil. Current assets decreased for the six months by EUR 17.2 mil. to EUR 71.073 mil, whilst year-over-year it decreased by EUR 22.5 mil. Fixed assets increased since the FY end by EUR 29.3 mil. to EUR 450.600 mil. (EUR 384.051 mil. as of 30/4/2019).

Financial Position in €'000 (unaudited)	April 30	April 30	October 31
	2019/20	2018/19	2018/19
Total Assets	564 271	503 162	519 423
Non-current Assets	493 198	409 578	431 120
Fixed Assets	450 600	384 051	421 324
Other Non-current Assets	42 598	25 527	9 796
Current Assets	71 073	93 584	88 303
Liquid Assets	2 604	25 052	12 073
Equity	119 324	122 716	110 173
Liabilities	444 947	380 446	35 831
Non-current Liabilities	402 014	347 612	301 791
Current Liabilities	42 933	32 834	35 831
Total Debt	326 888	331 703	347 350

## CASH FLOW

Cash flow generated from operating activities for the given half-year period amounted to EUR 9.390 mil. (23.280). Cash flow from investing activities was reported in the amount of

EUR -1.824 mil. (-19.365), out of which capital expenditures added up to EUR -9.973 mil. (-18.347). Cash flow from financing activities reached EUR -17.035 mil. (-33.388).

Cash Flow in €'000	November 1 - April 30	
	2019/20	2018/19
Cash Flow from Operating Activities	9 390	23 280
Cash Flow from Investing Activities	-1 824	-19 365
Cash Flow from Financing Activities	-17 035	-33 388
Net Increase in Cash and Cash Equivalents	-9 469	-29 473

## OUTLOOK TILL THE END OF FY 2019/20

By the end of FY 2019/20 the Board of Directors works with several scenarios on the development of the financial situation depending on the development of the preventive measures against the spread of coronavirus and their impact on the TMR Group's performance. However, bookings of summer stays in TMR's hotels indicate a strong summer season that is expected to balance out the revenue loss from the mandatory operations lockdown period during March through May. TMR's results till the end of FY 2019/20, i.e. till October 31, 2020, will be impacted by the summer season in the mountain resorts, leisure parks – Aquapark Tatralandia and Legendia - Silesian Amusement Park, in the golf segment, in TMR hotels, real estate projects, as well as in the ancillary services.

## OTHER FINANCIAL INFORMATION

### Related Party Transactions

On January 29, 2020 a member of TMR's Board of Directors and COO, Čenek Jílek, via the C4U, s.r.o. Company signed a purchase contract with the TMR Company for one chalet within the Chalets Jasná Collection project.

Jozef Hodek, a member of TMR's Board of Directors and CFO, signed a contract with the TMR Company on a future purchase contract for one chalet within the Chalets Jasná Collection project.

### Key Risk Factors and Uncertainties

The Company results mainly depend on visit rate of the TMR resorts. The visit rate depends on several factors, out of which some can and others cannot be controlled by Management. The vacation choices of TMR's clients also depend on the business cycle of the economy and the level of their discretionary income. The Group conducts its business operations in Slovakia, Poland, Austria, and the Czech Republic.

According to the European Bank for Reconstruction and Development (EBRD), the Slovak economy slowed from 3.9% in 2018 to 2.4% in 2019, mainly due to a decline in exports. Regarding the pandemic spread of coronavirus, the Slovak economy will be severely affected, as it is deeply integrated into global value chains, especially in the automotive industry. The EBRD estimates a decline in GDP of 6% in 2020, but also a sharp recovery of 7% in 2021.<sup>4</sup>

Poland's GDP growth slowed to 4.1% in 2019. Poland is also dependent on international trade, especially within the EU, and the coronavirus crisis is expected to hit it more drastically than the 2008-2009 financial

crisis, despite a large domestic market. With the help of the Polish government, the impact of the corona crisis in 2020 could be only a 3.5% decline in GDP, followed by an increase of 4% in 2021.<sup>5</sup>

According to the Czech National Bank, Czech GDP growth slowed to 2.4% in 2019 compared to 2.9% in 2018. Due to the continuing emergency situation in the Czech Republic, the decline in GDP in 2020 is estimated at -8% due to the already observed drop in foreign demand and lower capital production in 1Q 2020. In 2021 the economy is expected to recover at a rate of 5.8%.<sup>6</sup>

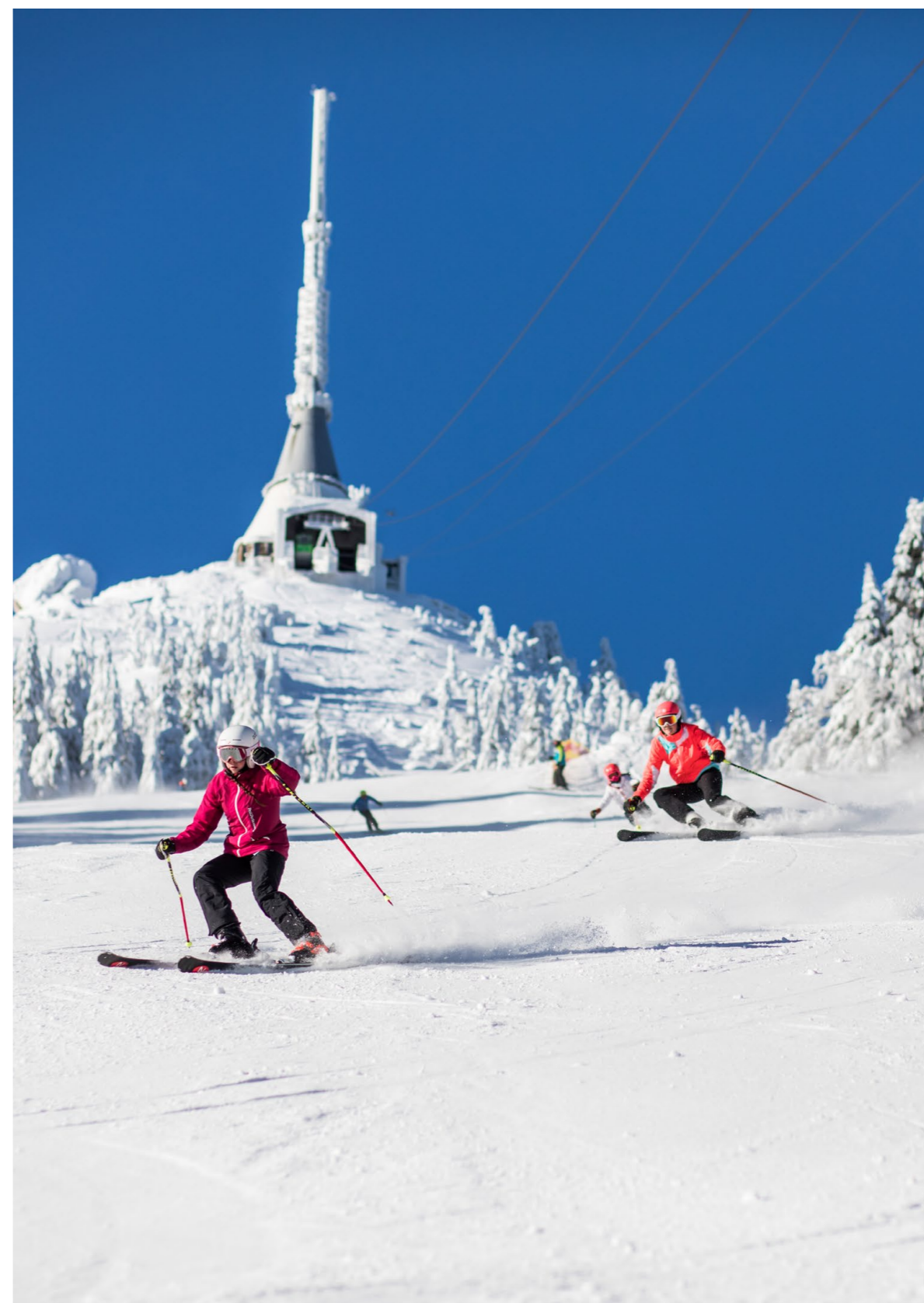
According to the OECD, Austria's 2.3% GDP growth from 2018 slowed to 1.4% in 2019.<sup>7</sup> The rapid spread of COVID-19 also hit the Austrian economy drastically. Government and European regulations against the spread of coronavirus have hit both the demand and supply sides. Therefore, Austria's GDP is projected to decline by 5.5% in 2020, more than during the 2008-2009 financial crisis. However, Austria was one of the first countries to start easing the measures in April 2020 on the basis of a rapid decline in new cases of infection. GDP recovery in 2021 is expected at 5%.<sup>8</sup>

Since majority of visitors to TMR's resorts and hotels come from various countries, each of which has its own unique macroeconomic profile, operations of TMR can be heavily affected by worsening of the economic and geopolitical situation on these markets.

The TMR Group's operations as well as its target markets have been affected by the coronavirus crisis since March 2020 and by the ordered measures to prevent its spread. Although the gradual easing of the measures and the recovery of individual economies has already started as of the date of this report, it cannot be ruled out that the COVID-19 pandemic will not return in the next wave and will not again have a negative impact on TMR's performance.

Weather unfavorable for summer tourist activities may negatively impact cableway sales in the mountain resorts till the end of the financial year. An unfavorable summer weather may also negatively impact the visit rate in the Polish Legendia, and thus also the return on investments from the park's modernization project. In Aquapark Tatralandia this risk is eliminated thanks to the guarantee of tropical weather in Tropical Paradise, as well as thanks to thermal springs in outdoor pools.

In the Mountain Resorts segment TMR faces competition from local ski resort operators in the oligopolistic market in Slovakia, Poland and the Czech Republic, where it is a leader in terms of size and range of services. In Austria, Mölltaler Gletscher is one of eight glacier ski resorts, and within all resorts in Austria as well as within Europe TMR competes on a monopolistic market with a large number of competitors, which



<sup>4</sup> European Bank for Reconstruction and Development. Regional Economic Prospects in EBRD Countries of Operations: May 2020 Update. <https://www.ebrd.com/what-we-do/economic-research-and-data/rep.html>

<sup>5</sup> European Bank for Reconstruction and Development. Regional Economic Prospects in EBRD Countries of Operations: May 2020 Update. <https://www.ebrd.com/what-we-do/economic-research-and-data/rep.html>

<sup>6</sup> Inflation expectations of the financial market. May 2020. [https://www.cnb.cz/export/sites/cnb/cs/financni-trhy/galerie/inflacni\\_ockavani\\_ft/inflacni\\_ockavani\\_ft\\_2020/C\\_infocpek\\_05\\_2020.pdf](https://www.cnb.cz/export/sites/cnb/cs/financni-trhy/galerie/inflacni_ockavani_ft/inflacni_ockavani_ft_2020/C_infocpek_05_2020.pdf)

<sup>7</sup> OECD Economic Review: Austria 2019. October 2019. [https://www.oecd-ilibrary.org/economics/oecd-economic-surveys-austria\\_19990189](https://www.oecd-ilibrary.org/economics/oecd-economic-surveys-austria_19990189)

<sup>8</sup> European Economic Forecast. Spring 2020. European Commission. May 2020. [https://ec.europa.eu/info/sites/info/files/economy-finance/ipl25\\_en.pdf](https://ec.europa.eu/info/sites/info/files/economy-finance/ipl25_en.pdf)

means a wide offer range for visitors. TMR utilizes its high quality services, reasonable prices in comparing to alpine resorts, patriotism, and locality with the goal of attracting visitors. Moreover, TMR capitalizes on its competitive advantage of natural monopoly in terms of the strategic location of its Slovak resorts in the highest mountain range in the region to the East and North. On the Czech market TMR is only launching summer operations, and in services it also faces multiple competitors, like in Polish Szczyrk.

In Leisure Parks TMR is also among the top two players in the local market, as well as in the Polish market, although visitation of leisure parks also depends on the travel distance for the given visitor. The Company's profitability also depends on the occupancy rate of its own and managed hotels and lodging facilities in the resorts. TMR works to improve key performance indicators in Hotels – average daily rate (ADR) and occupancy – by constantly increasing the hotels' quality through renovations, services expansion, and organizing marketing events.

In the Golf segment the golf resorts leased by TMR belong among the top 10 resorts in Czechia where competition is strong.

In the Real Estate segment revenues depend on sale and/ or lease of residences, lodging facilities, and commercial space in TMR's real estate projects. Further growth of the segment in sale and/or lease of land, residences and commercial space depends on the situation on the real estate market in the Tatra region.

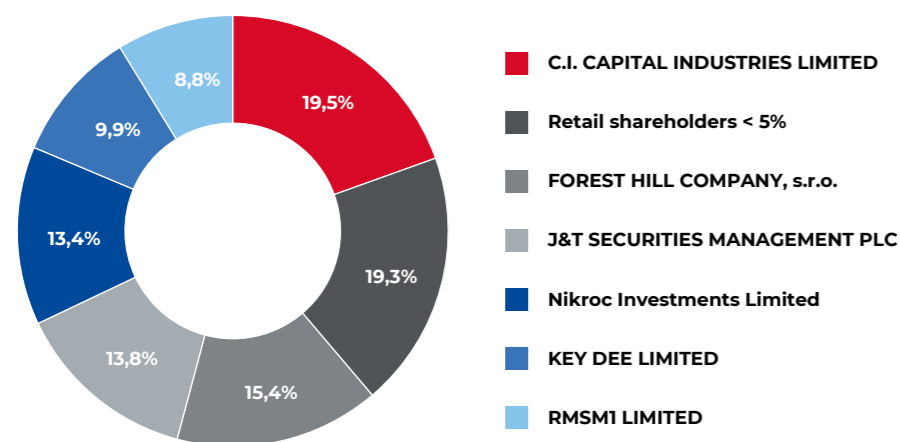
Management utilizes a well-defined marketing strategy to manage the abovementioned risks.

As for the main financial risks, due to the acquisitions of subsidiaries in Poland and Czechia, the Group mostly faces a foreign exchange risk of the Polish

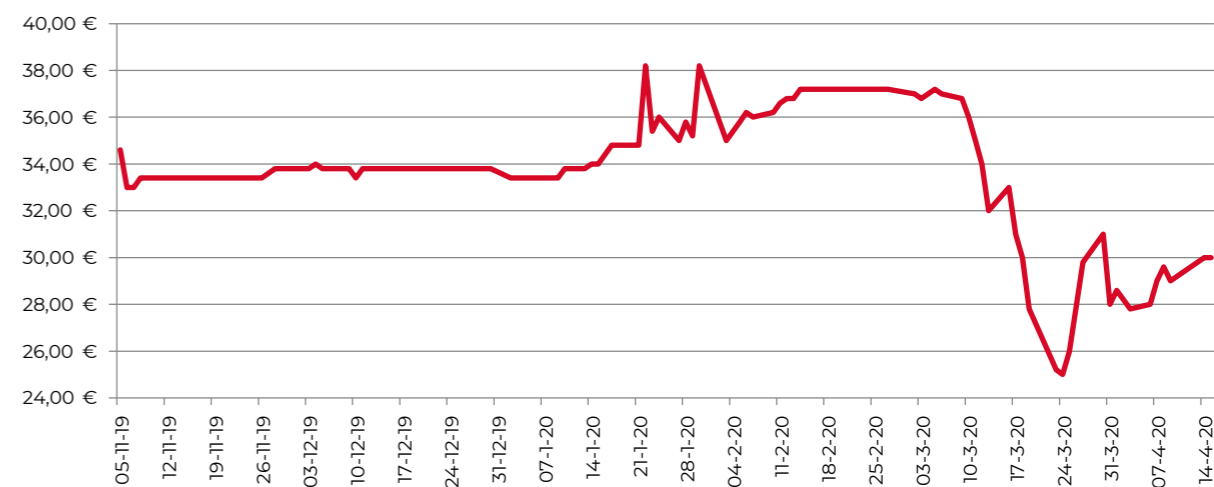
zloty and the Czech crown against euro. Management regularly monitors the difference between liabilities and accounts receivable denominated in a foreign currency. Secondly, the Group revenues are impacted by volatility of exchange rates in relation to euro since majority of TMR's foreign clients in the Slovak resorts come from countries outside the Eurozone – the Czech Republic, Poland, Ukraine, Russia, etc. The Group has a significant open position vis-à-vis the Czech crown in issued bonds, denominated in Czech crowns. The Group has decided to hedge its currency position against fluctuations in the Czech crown for this particular debt instrument using a currency swap. Variable interest rates on bank loans may negatively impact the level of interest expense in case of increase in EURIBOR as of the pay date, based on which these interest rates are set.

The level of debt may cause TMR difficulties in obtaining other external financing in the future to finance future investments into its resorts or acquisitions. The ability to repay liabilities from the bonds also significantly increases liquidity risk. Management plans to repay the issued bonds in the future with new bond issues. The projects of modernization of the leisure park Legendia and the resorts Szczyrk, Ještěd, Mölltaler Gletscher and Ankogel, as well as further development of the Slovak resorts have required and in the future will still require massive capital investments that lead to a higher level of debt and liquidity risk of the Group. For more information regarding risks refer to Risk Factors and Risk Management and Note 36 of Consolidated Financial Statements in the Annual Report 2018/19, available at [www.tmr.sk](http://www.tmr.sk).

#### Shareholder Structure as of 30. 04. 2020



#### Performance of the TMR Stock on BSSE



Closing Price of TMR Stock	BSSE (EUR)	WSE (PLN)	PSE (CZK)
30.4.2020	32.00	133	850
30.4.2019	29.20	132	770

#### Used Abbreviations and Explanations

**()** - the numbers in brackets represent values for the same period previous year compared to the current data on the year-over-year basis

**1H** - First half of TMR's financial year, the period from 1 November till 30 April

**ADR** - Average daily rate per room

**AGM** - Annual General Meeting

**BSSE** - the Bratislava Stock Exchange

**EBITDA** - Earnings before interest, taxes, depreciation and amortization; the key financial performance indicator of TMR

**EBRD** - European Bank for Reconstruction and Development

**FY** - Financial year of TMR, the period from November 1 to October 31

**GDP** - Gross Domestic Product

**KPIs** - Key performance indicators. In Mountains & Leisure KPIs include: visit rate and average revenue per visitor for the given period. In Hotels they include: occupancy and average daily rate per room (ADR).

**mil.** - millions

**p.p.** - percentage points

**PSE** - the Prague Stock Exchange

**Skier days** - the measure of visit rate in the mountain resorts of TMR in the winter season, counting the number of persons that visited a mountain resort during any part of the day or night for skiing, snowboarding, or other kind of downhill ride. E.g., a 4-day ski pass sold means four skier days.

**SPV** - Special purpose vehicle company

**ths.** - thousands

**WSE** - the Warsaw Stock Exchange

**Yoy** - year-over-year





**Tatry mountain resorts, a.s.,  
Subsidiaries, Joint Ventures and Associates**

**Condensed Interim Consolidated Financial Statements  
for the period from 1 November 2019 to 30 April 2020**

**prepared in accordance  
with the International Financial Reporting Standards (“IFRS”)  
in the wording adopted by the EU**

**Tatry mountain resorts, a.s., Subsidiaries, Joint Ventures and Associates**

**Consolidated Statement of Profit and Loss and Other Comprehensive Income**

<i>in TEUR</i>	<b>1.11.2019 - 30.4.2020</b>	<b>1.11.2018 - 30.4.2019</b>
Sales	67,315	68,320
Other operating revenue	241	307
<b>Total revenue</b>	<b>67,556</b>	<b>68,627</b>
Material and goods consumption	-9,334	-10,012
Purchased services	-14,534	-16,564
Personal cost	-17,053	-15,888
Other operating cost	-673	-757
Gain on sale of assets	1,625	373
<b>Profit before interest, taxes, depreciation and amortization (EBITDA)*</b>	<b>27,587</b>	<b>25,779</b>
Depreciation and amortization	-10,396	-9,125
Depreciation of right-of-use of leased assets	-2,766	-
Gain on bargain purchase	6,280	-
<b>Profit before interest, taxes (EBIT)</b>	<b>20,705</b>	<b>16,654</b>
Interest income calculated using effective interest rate	850	594
Interest expense	-9,681	-7,754
Net profit / (loss) on financial instruments	-5,061	-56
Share of the profit or loss of investments in joint ventures and associates accounted for using the equity method	356	-
<b>Profit / (loss) before tax</b>	<b>7,169</b>	<b>9,438</b>
Income tax	-272	-558
<b>Profit / (loss)</b>	<b>6,897</b>	<b>8,880</b>
Attributable to:		
- Holders of interest in the parent company's equity	6,976	8,809
- Non-controlling interest	-79	71
<b>Other components of the comprehensive income</b>		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Net gain/(loss) on cash flow hedges	1,577	-
Foreign currency translation reserve	677	47
<b>Total comprehensive income / (expense)</b>	<b>9,151</b>	<b>8,927</b>

## Tatry mountain resorts, a.s., Subsidiaries, Joint Ventures and Associates

<b>Total comprehensive income / (expense)</b>	<b>9,151</b>	<b>8,927</b>
Attributable to:		
- <b>Holders of interest in the parent company's equity</b>	<b>9,235</b>	<b>8,854</b>
- <b>Non-controlling interest</b>	<b>-84</b>	<b>73</b>
<b>Earnings per share (in EUR)</b>	<b>1.040</b>	<b>1.313</b>
<b>Number of shares</b>	<b>6,707,198</b>	<b>6,707,198</b>

\* EBITDA represents profit from recurring activities of the Group before tax, interest, depreciation and amortization adjusted for other income and expenses which are listed under EBITDA.

The notes presented form an integral part of the Condensed Interim Consolidated Financial Statements.

## Tatry mountain resorts, a.s., Subsidiaries, Joint Ventures and Associates

**Consolidated Statement of Financial Position**

<i>in TEUR</i>	<b>30.4.2020</b>	<b>31.10.2019</b>
<b>Assets</b>		
Goodwill and intangible assets	14,681	14,435
Property, plant and equipment	390,248	412,995
Right-of-use of leased assets	52,023	-
Investment property	8,329	8,329
Investment in an associate and a joint venture	15,731	2,101
Loans provided	1,035	1,019
Other receivables	8,475	3,798
Deferred tax asset	2,676	2,878
<b>Total non-current assets</b>	<b>493,198</b>	<b>445,555</b>
Inventory	7,353	8,208
Trade receivables	5,324	5,459
Loans provided	29,503	27,794
Other receivables	18,753	24,523
Financial investments	162	4,660
Cash and cash equivalents	2,604	12,073
Other assets	7,374	5,586
<b>Total current assets</b>	<b>71,073</b>	<b>88,303</b>
<b>Assets total</b>	<b>564,271</b>	<b>533,858</b>
<b>Equity</b>		
Capital	46,950	46,950
Share premium	30,430	30,430
Profit for the period	6,976	-2,286
Retained earnings and other funds	34,931	35,640
Foreign currency translation reserve	15	-667
<b>Total equity attributable to holders of interest in the parent company's equity</b>	<b>119,302</b>	<b>110,067</b>
Non-controlling interest	22	106
<b>Total equity</b>	<b>119,324</b>	<b>110,173</b>
<b>Liabilities</b>		
Loans and borrowings	59,192	70,867
Lease liabilities	43,938	-
Trade payables	-	1,127
Provisions	24	24
Other non-current liabilities	17,974	17,741
Bonds issued	252,567	254,919
Deferred tax liability	28,319	27,980
<b>Total non-current liabilities</b>	<b>402,014</b>	<b>372,658</b>
Loans and borrowings	12,317	15,196
Lease liabilities	7,003	-
Trade payables	7,453	8,052
Provisions	564	570
Bonds issued	2,812	6,368
Corporate income tax	896	860
Other current liabilities	11,888	19,981
<b>Total current liabilities</b>	<b>42,933</b>	<b>51,027</b>
<b>Total liabilities</b>	<b>444,947</b>	<b>423,685</b>
<b>Total equity and liabilities</b>	<b>564,271</b>	<b>533,858</b>

The notes presented form an integral part of the Condensed Interim Consolidated Financial Statements.

Tatry mountain resorts, a.s., Subsidiaries, Joint Ventures and Associates  
Consolidated Statement of Changes in Equity

in TEUR

	Capital	Share premium	Legal reserve fund	Funds from revaluation	Revaluation reserve	Retained earnings	Equity attributable to holders of interest in the parent company's equity	Non-controlling interest	Total
<b>Balance as at 1 November 2019</b>	46,950	30,430	6,612	-924	-667	27,666	110,067	106	110,173
Transfer of retained earnings into the legal reserve fund	-	-	409	-	-	-409	-	-	-
Profit / (loss) for the period	-	-	-	-	-	6,976	6,976	-79	6,897
<b>Other components of comprehensive income, after tax</b> - items with possible subsequent reclassification into profit/(loss):									
Cash Flow hedge	-	-	-	1,577	-	-	1,577	-	1,577
Revaluation reserve	-	-	-	-	682	-	682	-5	677
<b>Total comprehensive income for the period</b>	-	-	409	1,577	682	6,567	9,235	-84	9,151
<b>Transactions with owners posted directly into equity</b>									
Effect of acquisition of a subsidiary	-	-	-	-	-	-	-	-	-
Purchase of non-controlling interest	-	-	-	-	-	-	-	-	-
<b>Total transactions during the year</b>	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 April 2020</b>	46,950	30,430	7,021	653	15	34,233	119,302	22	119,324

Tatry mountain resorts, a.s., Subsidiaries, Joint Ventures and Associates  
Consolidated Statement of Changes in Equity (continued)

in TEUR

	Share capital	Share premium	Legal reserve fund	Funds from revaluation	Foreign currency translation reserve	Retained earnings	Equity attributable to holders of interest in the parent company's equity	Non-controlling interest	Total
<b>Balance as at 1 November 2018</b>	46,950	30,430	5,852	184	-618	30,883	113,681	108	113,789
Transfer of retained earnings into the legal reserve fund	-	-	3	-	-	-3	-	-	-
Profit for the current period	-	-	-	-	-	8,809	8,809	71	8,880
<b>Other comprehensive income, after tax</b> - items with possible subsequent reclassification into profit/(loss):									
Revaluation of available-for-sale securities to fair value	-	-	-	-	-	-	-	-	-
Foreign currency translation reserve	-	-	-	-	45	-	45	2	47
<b>Total comprehensive income for the period</b>	-	-	3	-	45	8,806	8,854	73	8,927
<b>Transactions with owners posted directly into equity</b>									
Contributions to the fund	-	-	-	-	-	-	-	-	-
Effect of acquisition of a subsidiary	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-	-
<b>Balance as at 30 April 2019</b>	46,950	30,430	5,855	184	-573	39,689	122,535	181	122,716

The notes presented form an integral part of the Condensed Interim Consolidated Financial Statements.

**Tatry mountain resorts, a.s., Subsidiaries, Joint Ventures and Associates**
**Consolidated Cash Flow Statement**

<i>in TEUR</i>	1.11.2019 - 30.4.2020	1.11.2018 - 30.4.2019
<b>OPERATING ACTIVITIES</b>		
Profit	6,897	8,880
Adjustments related to:		
Gain on disposal of PPE and intangible assets	-1,625	-373
Depreciation and amortisation	10,396	9,125
Depreciation of right-of-use of leased assets	2,766	-
Net (gain)/loss on financial instruments (non-cash)	1,389	56
Net interest (income)/expenses	8,831	7,160
Gain on bargain purchase	-6,280	-
Share of the profit or loss of investments in joint ventures and associates accounted for using the equity method	-356	-
Change in provisions	-6	-2
Income tax	272	558
Change in trade receivables, other receivables and other assets	-6,400	809
Change in inventories	855	2,243
Change in trade payables and other liabilities	-7,077	-4,919
Cash flow from operating activities before income tax	<u>9,662</u>	<u>23,537</u>
Income tax paid	-272	-257
Cash flow from operating activities	<u>9,390</u>	<u>23,280</u>
<b>INVESTMENT ACTIVITIES</b>		
Acquisition of property, plant and equipment and intangible assets	-9,973	-18,347
Proceeds from disposal of PPE and intangible assets	5,653	1,134
Acquisition of associate and joint venture	-2,620	-2,097
Loans provided	-469	-2,653
Repayment of loans provided	5,415	2,563
Interest received	170	35
Cash flow used by investing activities	<u>-1,824</u>	<u>-19,365</u>
<b>FINANCIAL ACTIVITIES</b>		
Repayment of liabilities from financial lease	-	-606
Repayment of lease liabilities	-2,097	-
Financial lease received	-	1,516
Repayment of received loans and borrowings	-3,226	-45,415
New loans and borrowings received	2,000	-
Bonds Issued, netto	-	88,397
Purchase of own bonds	-	-65,000
Interest paid	-13,712	-12,280
Cash flow from financing activities	<u>-17,035</u>	<u>-33,388</u>
Net increase of cash and cash equivalents	-9,469	-29,473
Cash and cash equivalents at the beginning of the year	<u>12,073</u>	<u>54,525</u>
<b>Cash and cash equivalents at end of the year</b>	<u>2,604</u>	<u>25,052</u>

The notes presented form an integral part of the Condensed Interim Consolidated Financial Statements.

**Tatry mountain resorts, a.s., Subsidiaries, Joint Ventures and Associates**
**Selected notes to the Condensed Interim Consolidated Financial Statements**
**1. IFRS 16 Leases**

The Group applied IFRS 16 initially on 1 November 2019 using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 was recognized as an adjustment to the opening balance as at 1 November 2019, without any adjustment to the comparable information.

IFRS 16 supersedes IAS 17 Leases and related interpretations. The standard eliminates the current dual accounting model for lessees and instead requires companies to bring most leases on-balance sheet under a single model, eliminating the distinction between operating and finance leases.

Under IFRS 16, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period in exchange for consideration. For such contracts, the new model requires a lessee to recognize a right-of-use asset and a lease liability. The right-of-use asset is amortized and the liability accrues interest. This will result in a front-loaded pattern of expense for most leases, even when the lessee pays constant annual rentals.

The new standard introduces several limited scope exceptions for lessees which include:

- Leases with a lease term of 12 months or less and containing no purchase options, and
- Leases where the underlying asset has a low value ('small-ticket' leases).

The Group applied the practical expedient to grandfather the definition of lease on transition. This means that it applied IFRS 16 to all contracts entered before 1 November 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

The following table summarizes the impact of new standard IFRS 16 on the statement of financial position as at 1 November 2019:

<i>in TEUR</i>	31.10.2019 originally published	IFRS 16 first-time adoption	Balance as at 1.11.2019 after IFRS 16 first-time adoption adjustments
<b>Non-current assets</b>			
Property, Plant and Equipment	412,995	-14,148	398,847
Right-of-use of leased assets	-	53,840	53,840
<b>Total</b>	<u>412,995</u>	<u>39,692</u>	<u>452,687</u>
<b>Current assets</b>			
Other Assets	5,586	-7	5,579
<b>Total</b>	<u>5,586</u>	<u>-7</u>	<u>5,579</u>
<b>Non-current liabilities</b>			
Loans and Borrowings	70,867	-8,185	62,682
Lease liabilities	-	45,200	45,200
<b>Total</b>	<u>70,867</u>	<u>37,015</u>	<u>107,882</u>
<b>Current liabilities</b>			
Loans and Borrowings	15,196	-4,219	10,977
Lease liabilities	-	6,889	6,889
<b>Total</b>	<u>15,196</u>	<u>2,670</u>	<u>17,866</u>

## Tatry mountain resorts, a.s., Subsidiaries, Joint Ventures and Associates

### 2. Investments

During the winter season, the Group invested in the construction of lake "Zadné vody", used for generation of snow, in Jasná resort, continued preparations for the construction of a new hotel "Centrum Jasná", and procured new snowmobiles for the slope maintenance. In the High Tatras in Tatranská Lomnica, the Group invested into the reconstruction and construction of a new hotel "Horec". The Group started with a replacement of hotel system, as part of a new reservation and accommodation system implementation in individual hotels, which will increase comfort of hotel receptions, its reservation department and will also have a positive impact on clients.

The Group continues to invest in upgrading the amusement park in Chorzow (Slaskie Wesole Miasteczko) while continuing to modernize amusement park Szczyrk, where investments are used to improve existing services and build a new gastro facility. During the winter season, the Group opened a new gastro facility "Kufionka" in the Polish resort Szczyrk.

### 3. Inventories

During the reporting period the Group completed the realisation of third stage of real estate investment project Chalety Otupné (Chalety Otupné 3) and development works for construction of fourth stage of Chalety Otupné (Chalety Otupné 4), are in progress. The value of these investments is reported in the financial statements on line "Inventories". These are real estate development projects for the purpose of construction and subsequent sale or operation.

### 4. Investments in an associate and a joint venture

On 15 December 2019, the Group signed a contract related to transfer of securities, on the basis of which it purchased an additional 15.5% stake in MELIDA a.s., the operator of Špindlerův Mlýn ski resort in the Czech Republic. By signing the contract, the Group became owner of a total share of 25% in this company.

### 5. Subsequent events

On 29 May 2020, the Group signed a contract related to transfer of shares of 1. Tatranská, akciová spoločnosť, which resulted in the Group owning a 100% stake in this company. The company 1. Tatranská, akciová spoločnosť operated ski resort Štrbské Pleso in High Tatras.

On 7 May 2020, the Group redeemed the TMR IV bond coupon in the amount of EUR 1,243 thousand (CZK 33,750 thousand).

On 11 March 2020, the World Health Organization declared a global pandemic in relation to the spread of coronavirus (COVID-19). The COVID-19 pandemic also affects the Group which was hit by the virus at the end of its winter season and spring midseason. On 16 March 2020, the Slovak Government issued an order aimed at containing the virus, as a consequence of which the Group had to close all its mountain resorts, water parks and other operations.

The Group's management ordinarily plans monthly cash flows which, due to the current situation, are being reviewed weekly. The reduction in sales is compensated through cost-side savings and by non-realizing/postponing a portion of investments to the following year.

Since 1 May 2020, some establishments, such as cable cars, restaurants and hotels, were gradually opened, under the conditions of following strict hygiene orders and recommendations.

## Tatry mountain resorts, a.s., Subsidiaries, Joint Ventures and Associates

In the opinion of the Group's management, the corresponding relaxation of restrictive measures support the assertion that the Group will have sufficient resources to continue for at least 12 months from the date of the interim financial statements. The Group's management has concluded that the range of possible outcomes under consideration does not cause significant uncertainties related to events or conditions that could cast serious doubt on the Group's ability to continue as a going concern.

.....	.....	.....
Igor Rattaj	Jozef Hodek	Marián Vojtko
<i>Chairman of the</i>	<i>Member</i>	<i>Person in charge</i>
<i>Board of Directors</i>	<i>Board of Directors</i>	<i>of accounting</i>

**Tatry mountain resorts, a.s.**  
**Condensed Interim Individual Financial Statements**  
**for the period from 1 November 2019 to 30 April 2020**  
 prepared in accordance  
**with the International Financial Reporting Standards (“IFRS”)**  
**in the wording adopted by the EU**

**Tatry mountain resorts, a.s.****Separate Statement of Profit and Loss and Other Comprehensive Income**

<i>in TEUR</i>	<b>1.11.2019 - 30.4.2020</b>	<b>1.11.2018 - 30.4.2019</b>
Sales	53,941	56,822
Other operating revenue	133	284
<b>Total revenue</b>	<b>54,074</b>	<b>57,106</b>
Material and goods consumption	-8,053	-8,858
Purchased services	-10,615	-11,580
Personal cost	-13,157	-13,803
Other operating cost	-527	-633
Gain on sale of assets	1,625	372
<b>Profit before interest, taxes, depreciation and amortization (EBITDA)*</b>	<b>23,347</b>	<b>22,604</b>
Depreciation and amortization	-6,830	-6,907
Depreciation of right-of-use of leased assets	-2,063	-
<b>Profit before interest, taxes (EBIT)</b>	<b>14,454</b>	<b>15,697</b>
Interest income calculated using effective interest rate	3,747	2,874
Interest expense	-7,982	-7,741
Net profit / (loss) on financial instruments	-2,902	-788
<b>Profit / (loss) before tax</b>	<b>7,317</b>	<b>10,042</b>
Income tax	-39	-4
<b>Profit / (loss)</b>	<b>7,278</b>	<b>10,038</b>
<b>Other comprehensive income</b>		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Net gain/(loss) on cash flow hedges	1,577	-
<b>Total comprehensive income</b>	<b>8,855</b>	<b>10,038</b>
<b>Profit per share (in EUR)</b>	<b>1.085</b>	<b>1.497</b>
<b>Number of shares</b>	<b>6,707,198</b>	<b>6,707,198</b>

\* EBITDA represents profit from recurring activities of the Group before tax, interest, depreciation and amortization adjusted for other income and expenses which are listed under EBITDA.

The notes presented form an integral part of the Condensed Interim Separate Financial Statements.

**Tatry mountain resorts, a.s.****Separate Statement of Financial Position**

<i>in TEUR</i>	<b>30.4.2020</b>	<b>31.10.2019</b>
<b>Assets</b>		
Goodwill and intangible assets	8,135	7,731
Property, plant and equipment	265,717	283,092
Right-of-use of leased assets	33,148	-
Investment property	8,329	8,329
Investments in an associate and a joint venture	7,118	-
Loans provided	5,746	5,618
Other receivables	8,499	3,584
Investments in subsidiaries	7,515	7,515
<b>Total non-current assets</b>	<b>344,207</b>	<b>315,869</b>
Inventory	6,241	7,440
Trade receivables	4,262	4,872
Loans provided	117,257	107,135
Other receivables	17,107	22,649
Financial investments	154	4,652
Cash and cash equivalents	1,272	10,280
Other assets	10,809	10,766
<b>Total current assets</b>	<b>157,102</b>	<b>167,794</b>
<b>Assets total</b>	<b>501,309</b>	<b>483,663</b>
<b>Equity</b>		
Capital	46,950	46,950
Share premium	30,430	30,430
Profit for the period	7,278	4,087
Retained earnings and other funds	48,658	42,994
<b>Total equity</b>	<b>133,316</b>	<b>124,461</b>
<b>Liabilities</b>		
Loans and borrowings	86,814	100,894
Lease liabilities	25,622	-
Trade payables	-	1,127
Provisions	24	24
Bonds issued	197,211	196,935
Deferred tax liability	23,075	22,655
<b>Total non-current liabilities</b>	<b>332,746</b>	<b>321,635</b>
Loans and borrowings	9,968	10,763
Lease liabilities	6,217	-
Trade payables	5,673	5,338
Provisions	460	460
Bonds issued	1,650	5,089
Corporate income tax liability	896	860
Other current liabilities	10,383	15,057
<b>Total current liabilities</b>	<b>35,247</b>	<b>37,567</b>
<b>Total liabilities</b>	<b>367,993</b>	<b>359,202</b>
<b>Total equity and liabilities</b>	<b>501,309</b>	<b>483,663</b>

The notes presented form an integral part of the Condensed Interim Separate Financial Statements.

**Tatry mountain resorts, a.s.**  
**Separate Statement of Changes in Equity**

<i>in TEUR</i>	Capital	Share premium	Legal reserve fund	Funds from revaluation	Retained earnings	Total
<b>Balance as at 1 November 2019</b>	<b>46,950</b>	<b>30,430</b>	<b>6,609</b>	<b>-928</b>	<b>41,400</b>	<b>124,461</b>
Transfer of retained earnings into the legal reserve fund	-	-	409	-	-409	-
Profit / (loss) for the period	-	-	-	-	7,278	7,278
<b>Other components of comprehensive income, after tax</b>						
- items with possible subsequent reclassification into profit/(loss):						
Cash Flow hedge	-	-	-	1,577	-	1,577
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>409</b>	<b>1,577</b>	<b>6,869</b>	<b>8,855</b>
<b>Transactions with owners posted directly into equity</b>						
Contributions to the fund	-	-	-	-	-	-
<b>Total transactions during the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 30 April 2020</b>	<b>46,950</b>	<b>30,430</b>	<b>7,018</b>	<b>649</b>	<b>48,269</b>	<b>133,316</b>

**Tatry mountain resorts, a.s.**  
**Separate Statement of Changes in Equity (continued)**

	Share capital	Share premium	Legal reserve fund	Funds from revaluation	Retained earnings	Total
<i>In TEUR</i>						
<b>Balance as at 1 November 2018</b>	46,950	30,430	5,852	180	39,510	122,922
Transfer of retained earnings into the legal reserve fund	-	-	-	-	-	-
Profit for the period	-	-	-	-	10,038	10,038
<b>Other components of comprehensive income, after tax</b>						
- items with possible subsequent reclassification into profit/(loss):						
Revaluation of available-for-sale securities at fair value	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-	10,038	10,038
<b>Transactions with owners posted directly into equity</b>						
Contributions to the fund	-	-	-	-	-	-
<b>Total transactions during the year</b>	-	-	-	-	-	-
<b>Balance as at 30 April 2019</b>	46,950	30,430	5,852	180	49,548	132,960

The notes presented form an integral part of the Condensed Interim Separate Financial Statements.

**Tatry mountain resorts, a.s.**

**Separate Cash Flow Statement**

	1.11.2019 - 30.4.2020	1.11.2018 - 30.4.2019
<i>in TEUR</i>		
<b>OPERATING ACTIVITIES</b>		
Profit	7,278	10,038
Adjustments related to:		
Profit from the sale of land, buildings and equipment and intangible assets	-1,625	-373
Depreciation and amortization	6,831	6,907
Depreciation of right-of-use of leased assets	2,063	-
(Profit)/ loss from financial operations	2,742	-
Net interest expense / (income)	4,095	4,867
Income tax	39	4
Change in trade receivables, other receivables and other assets	-4,037	818
Variation in inventories	1,199	2,545
Change in trade liabilities and other liabilities	-6,482	-7,717
Cash flow from operating activity before income tax	<b>12,103</b>	<b>17,089</b>
Income tax paid	-39	-55
Cash flow from operating activity	<b>12,064</b>	<b>17,034</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of land, buildings and equipment and intangible assets	-6,466	-6,861
Proceeds from sale of property, plant and equipment and intangible assets	4,083	1,134
Acquisition of associates and joint ventures (MELIDA a.s.)	-2,620	-
Loans provided	-11,407	-16,568
Repayment of loans provided	7,247	6,350
Interest receivable	173	28
Cash flow from investing activities	<b>-8,990</b>	<b>-15,917</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of liabilities from financial leasing	-	-606
Repayment of lease liabilities	-1,621	-
Financial leasing received	-	1,516
Repayment of received loans and borrowings	-1,188	-43,720
Loans and borrowings received	2,100	58,422
Bonds issued, net	-	30,000
Repaid own bonds	-	-65,000
Interest paid	-11,373	-12,486
Cash flow from financing activity	<b>-12,082</b>	<b>-31,874</b>
Net increase/ (decrease) of cash and cash equivalents	-9,008	-30,757
Cash and cash equivalents at the beginning of the year	10,280	52,787
<b>Cash and cash equivalents at the end of the year</b>	<b>1,272</b>	<b>22,030</b>

The notes presented form an integral part of the Condensed Interim Separate Financial Statements.



## Tatry mountain resorts, a.s.

## Selected Notes to the Condensed Interim Separate Financial Statements

## 1. IFRS 16 Leases

The Company applied IFRS 16 initially on 1 November 2019 using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 was recognized as an adjustment to the opening balance as at 1 November 2019, without any adjustment to the comparable information.

IFRS 16 supersedes IAS 17 Leases and related interpretations. The standard eliminates the current dual accounting model for lessees and instead requires companies to bring most leases on-balance sheet under a single model, eliminating the distinction between operating and finance leases.

Under IFRS 16, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period in exchange for consideration. For such contracts, the new model requires a lessee to recognize a right-of-use asset and a lease liability. The right-of-use asset is amortized and the liability accrues interest. This will result in a front-loaded pattern of expense for most leases, even when the lessee pays constant annual rentals.

The new standard introduces several limited scope exceptions for lessees which include:

- Leases with a lease term of 12 months or less and containing no purchase options, and
- Leases where the underlying asset has a low value ('small-ticket' leases).

The Company applied the practical expedient to grandfather the definition of lease on transition. This means that it applied IFRS 16 to all contracts entered before 1 November 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

The following table summarizes the impact of new standard IFRS 16 on the statement of financial position as at 1 November 2019:

<i>in TEUR</i>	<b>31.10.2019 originally published</b>	<b>IFRS 16 first-time adoption</b>	<b>Balance as at 1.11.2019 after IFRS 16 first-time adoption adjustments</b>
<b>Non-current assets</b>			
Property, Plant and Equipment	283,092	-14,148	268,944
Right-of-use of leased assets	-	34,639	34,640
<b>Total</b>	<b>283,092</b>	<b>20,492</b>	<b>303,584</b>
<b>Current assets</b>			
Other Assets	10,766	-7	10,759
<b>Total</b>	<b>10,766</b>	<b>-7</b>	<b>10,759</b>
<b>Non-current liabilities</b>			
Loans and Borrowings	100,894	-8,185	92,709
Lease liabilities	-	26,583	26,583
<b>Total</b>	<b>100,894</b>	<b>18,398</b>	<b>119,292</b>
<b>Current liabilities</b>			
Loans and Borrowings	10,763	-4,219	6,544
Lease liabilities	-	6,305	6,305
<b>Total</b>	<b>10,763</b>	<b>2,086</b>	<b>12,849</b>

## Tatry mountain resorts, a.s.

## 2. Investments

During the winter season, the Company invested in the construction of lake "Zadné vody", used for generation of snow, in Jasná resort, continued preparations for the construction of a new hotel "Centrum Jasná", and procured new snowmobiles for slope maintenance. In High Tatras in Tatranská Lomnica, the Company invested in reconstruction and construction of a new hotel "Horec". The Company started with a replacement of hotel system, as part of a new reservation and accommodation system implementation in individual hotels, which will increase comfort of hotel receptions, its reservation department and will also have a positive impact on clients.

## 3. Inventories

During the reporting period the Company completed the realisation of third stage of real estate investment project Chalety Otupné (Chalety Otupné 3) and development works for construction of fourth stage of Chalety Otupné (Chalety Otupné 4), are in progress. The value of these investments is reported in the financial statements on line "Inventories". These are real estate development projects for the purpose of construction and subsequent sale or operation.

## 4. Investment in an associate and a joint venture

On 15 December 2019, the Company signed a contract related to transfer of securities, on the basis of which it purchased an additional 15.5% stake in MELIDA a.s., the operator of Špindlerův Mlýn ski resort in the Czech Republic. By signing the contract, the Company became owner of a total share of 25% in this company.

## 5. Subsequent events

On 29 May 2020, the Company signed a contract related to transfer of shares of 1. Tatranská, akciová spoločnosť, which resulted in the Company owning a 100% stake in this company. The company 1. Tatranská, akciová spoločnosť operated ski resort Štrbské Pleso in High Tatras.

On 11 March 2020, the World Health Organization declared a global pandemic in relation to the spread of coronavirus (COVID-19). COVID-19 pandemic also affects the Company which was hit by the virus at the end of its winter season and spring midseason. On 16 March 2020, the Slovak Government issued an order aimed at containing the virus and as a consequence the Company had to close all of its mountain resorts, water parks and other operations.

The Company's management ordinarily plans monthly cash flows which, due to the current situation, are being reviewed weekly. The reduction in sales is compensated through cost-side savings and by non-realizing and/or postponing portion of investments to the following year.

Since 1 May 2020, some establishments, such as cable cars, restaurants and hotels, were gradually opened, under the conditions of following strict hygiene orders and recommendations.

In the opinion of the Company's management, the corresponding relaxation of restrictive measures support an assertion that the Company will have sufficient resources to continue for at least 12 months from the date of interim financial statements. The Company's management has concluded that the range of possible outcomes under consideration does not cause significant uncertainties related to events or conditions that could cast serious doubt on the Company's ability to continue as a going concern.

Igor Rattaj  
Chairman of the  
Board of Directors

Jozef Hodek  
Member  
Board of Directors

Marián Vojtko  
Person in charge  
of accounting



## STATEMENT OF THE BOARD OF DIRECTORS

The Condensed interim consolidated and separate financial statements were prepared in accordance with relevant regulations, and they provide a true and accurate description of assets, liabilities, financial situation, and comprehensive income of the TMR Company and its subsidiaries included in the consolidation. The Half-Year Report has not been audited. The Interim Report includes a true performance review of the Group.

Demänovská Dolina, June 30, 2020



Igor Rattaj  
Chairman of the Board of Directors



Jozef Hodek  
Member of the Board of Directors

